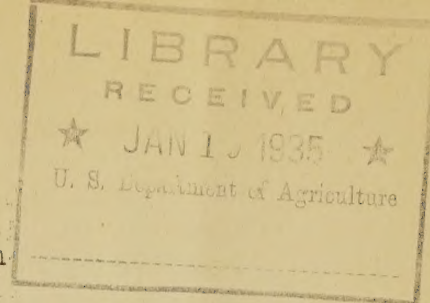


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DAIRY SECTION
Agricultural Adjustment Administration



MILK MARKET NOTES

January 4, 1935

MILK MEN

Mr. Leon C. Collier was designated on January 1 as Market Administrator for the following licenses: Lansing, Battle Creek, Kalamazoo, Ann Arbor, and Port Huron, Michigan. As of the same date, the termination of the appointment of Minor L. Cook as Market Administrator for the Lansing, Kalamazoo and Battle Creek areas was made effective. The termination of the appointment of Mr. F. M. Skiver as Market Administrator for Ann Arbor and Port Huron was likewise made effective as of January 1. Effective January 1, all licenses in Michigan, other than Detroit, will be under the administration of Mr. Collier.

Market Administrator Frank C. Baker of Chicago came to Washington for a series of conferences. He was met in the Washington office by Mr. Charles S. Smith who has spent considerable time in the Chicago area.

Reports were not received from Indianapolis, Fort Wayne, Grand Rapids, Muskegon, Suginaw, Battle Creek, Kalamazoo, Lansing, Baltimore, Evansville, Lexington, Savannah, Tulsa, Wichita, Richmond, San Francisco, Phoenix, Atlanta, Des Moines, Dubuque, St. Louis, Ann Arbor, Battle Creek.

AROUND THE MILKY WAY

Alameda County, Oakland, California -- Market Administrator W. F. Kunkel.

Unrest and threatened violations have arisen because of resale price competitive troubles between wagon distribution and chain stores. One firm has refused examination of its books and records. Otherwise general conditions are satisfactory. Butter of 92 score averaged 30.5 cents per pounds at San Francisco for the past week.

Bay City, Michigan -- Market Administrator L. C. Collier.

Market quiet and unchanged.

Boston, Mass. -- Market Administrator Samuel W. Tator.

The State Milk Control Board has designated the Boston area as District No. 17 of the area under their jurisdiction. The next development will be an agreement on resale prices of milk and cream. Conferences are scheduled with the Consolidated Dairies, the cooperative sales agency, relative to adoption by them of Federal base ratings. The Federal base rating uniformly used is 61 per cent of the 1933 production. Grade A producers base rating adjustment seems the most difficult problem, as they had voluntarily leveled off production before the license was effective. Lower prices for charity milk are being discussed.

Chicago, Illinois -- Market Administrator Frank C. Baker.

No comment. Clipping enclosed indicating that Illinois Milk Commission has urged Secretary Wallace to increase the price to Chicago area producers. The Commission are all members of the State legislature.

Denver, Colo. -- Market Administrator C. E. Hough.

Complete satisfactory operation of license reported. An oversupply of milk is indicated, with collections poor from the trade.

Detroit, Michigan - Market Administrator E. M. Bailey.

December 31 prices announced to distributors -- Class 1, \$2.27; Class 2, \$1.58; Class 3, \$1.22; Class 4, \$1.03. Blended price not computed yet. Still plenty of milk for the market requirements although production has declined.

Quad Cities, Iowa-Illinois -- Market Administrator Robert Osborne.

Collections of over-due adjustments not obtainable because of no action on one ice cream company that has not complied. Situation is not pleasing on account of lack of action against this violator. Dealers say they want license continued if enforcement is possible.

Fall River, Mass. -- Market Administrator S. W. Tator.

The State Milk Control Board has issued information that producers who get a lower price than the Federal license provides may file claims with the State Department of Agriculture, with possibility of action by them regarding bonds for such distributors who fail to pay license price. The State Board has also included Fall River in one of its jurisdiction areas and will establish prices for milk and cream wholesale and retail.

Flint, Michigan and Fort Worth, Texas -- No news or comments, simply prices.

Kansas City -- Market Administrator Max M. Morehouse.

Usual number of reports received from pasteurizing plants but few from producer-distributors. Base increased for 120 producers. Very few producers able to furnish increased base.

Leavenworth, Kansas -- Market Administrator Max M. Morehouse.

Milk supply decreasing. Number of producers testing their cattle for Bang's disease.

Lincoln, Nebraska -- Market Administrator A. N. Heggen.

A committee representing unorganized producers will meet regularly with the Market Administrator and the directors of the co-operative to acquaint themselves with the license. Producer-distributors continue to ignore reports.

Los Angeles, Calif. -- Market Administrator H. C. Darger.

Price cutting to stores and homes prevalent. No reported violations of producers' prices.

Louisville, Kentucky -- Market Administrator F. T. Flynn.

Scarcely any price-cutting evident. Quiet after holidays.

New Bedford, Mass. -- Market Administrator S. W. Tator.

Massachusetts Milk Control Board has included this area under its resale price fixing jurisdiction. They have announced that any producer who complains that his distributor is not paying the full license price for milk may file the claim with the State Department of Agriculture, where action relative to the distributor's bond may be taken.

Providence, R. I. -- Market Administrator S. W. Tator.

No change in market. Some producer-distributors who sell to other dealers at Class 2 prices and who find it expedient to stay in the pool, are troubled over the equalization on that part of their milk which they sell directly to consumers.

Omaha -- Market Administrator A. N. Heggen.

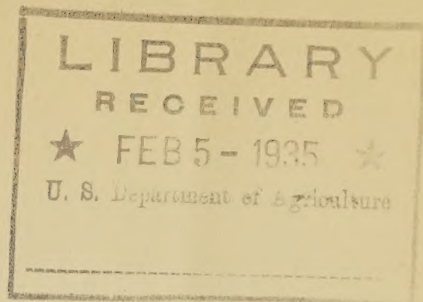
Four dealers are requesting that the Omaha-Council Bluffs license be amended and that the Council Bluffs market be separated from the Omaha market in such a way that the price distributors pay for milk need not be the same in both markets. The prices charged consumers in Council Bluffs are lower than in Omaha, owing to a fight with the producer-distributors there.

Topeka, Kansas --- Market Administrator Max M. Morehouse.

Milk supply about constant. Equalization account paid in full and is in liquid condition.

Milk and Cream Prices for Week Ending January 4.

Markets	Standard Milk Per Quart			Half Pints Cream (20 to 25 per cent)		
	Wholesale Price	Retail Store	Delivered to Homes	Whol.	Store	Del.
Alameda County	8 $\frac{1}{2}$ ¢	10¢	11¢	6¢	8¢	9¢
Bay City, Mich.	8 $\frac{1}{2}$ ¢	10	10	9	11	11
Boston	9 $\frac{1}{2}$ ¢	11	12	-	-	-
Chicago	8 $\frac{1}{2}$ ¢	10	10	11 $\frac{1}{2}$ ¢	13	13
Council Bluffs	7 $\frac{1}{2}$ ¢	-	9	7 $\frac{1}{2}$ ¢	-	9
Denver	8	9-10	9-11	9-10	10-11	12
Quad Cities	7	8-9	8-9	10	11-13	11-13
Flint, Mich.	8 $\frac{1}{2}$ ¢	10	5-10	10	12	12
Fort Worth	9-10 raw	10-12 raw	10-12 raw	10	11-12	12
	10 past.	11-12 past.	12 past.			
Lansing	6 $\frac{1}{2}$ ¢	8	8	6 $\frac{1}{2}$ ¢	-	8
Lincoln	8	10	10	8	10	10
Los Angeles	9	10	12	11	13	14
Louisville	10	11	12	12	14	14
Omaha	8	-	10	8	-	10
Saginaw, Mich.	8	10	10 (1 and 2 qts.)	10	12	12
			9 for 3 plus			
Sioux City	7	-	9	8	-	10



DAIRY SECTION
Agricultural Adjustment Administration

MILK MARKET NOTES

January 11, 1935

MILK MEN

J. J. Murray returned from a trip which took him into Tennessee, Arkansas, Mississippi, Louisiana and North Carolina.

George Irvine spent several days with Market Administrator John McGill in Atlanta and with Market Administrator Thomas W. Holloway at Savannah.

Market Administrator S. W. Tator of Boston, and E. M. Harmon of this Section, returned to Washington after a series of conferences with producers and distributors, to prepare amended License for Boston.

A. D. Lynch came from St. Louis to discuss the proposed amendment which would allow a deduction from producers for quality control work.

E. M. Harmon spent a day in the Providence market with Market Administrator S. W. Tator and Chester F. Gibbons of the Field Investigation Section.

John Dunaway departed for Tulsa and other points in the southwest.

AROUND THE MILKY WAY

Alameda County, Oakland, Calif. - Market Administrator C. F. Kunkel.

Retail and wholesale sales reported increased because of re-opening of schools and end of the holiday season. Steps are being taken to enforce one case against a company which has not complied with the license.

Baltimore - Market Administrator T. Howard Price.

Conditions have improved because of an agreement between the cooperative producers and the distributors effective January 1, 1935. The Administrator is cooperating with the Governor's Milk Commission in regard to matters on the Baltimore market.

Boston - Market Administrator S. W. Tator.

Meetings with the cooperative associations were held to discuss the proposed amendments to the license. The State Milk Control Board and the Governor have been in conference with distributors.

Chicago - Market Administrator Frank C. Baker.

The Pure Milk Association and the Chicago Milk Industry Committee have come to an agreement relative to an increase in Class I price to producers to \$2.20 per cwt. in the 70-mile zone. Milk supply for first half of January is under the volume of a year ago by about 10 per cent.

Denver - Market Administrator C. E. Hough.

Conditions on the market quiet and stable. The Cooperative Association held a dinner dance and made the Administrator the toastmaster. (Editorial Note--Special meetings deemed helpful in getting people acquainted and working together better.)

Detroit - Market Administrator E. M. Bailey.

Blended price for December announced as \$2.08 for base milk and \$1.03 for surplus milk. Market quiet. Production less but no shortage. Producers supporting a State Milk Control law in legislature but distributors satisfied with Federal control. Recent amendment making the sales area more compact is helpful. Collection of back accounts coming in slowly.

Evansville - Market Administrator E. C. Reeves.

December pool prices paid were: Base milk, $47\frac{1}{2}$ cents per pound of fat, surplus milk, 30 cents. Base is 85 per cent of deliveries. Net after check-off was \$1.73 per hundredweight for all 4 per cent milk. Prices paid one year ago same month, 38.8 cents and 19 cents respectively, per pound of fat. Total paid to producers for 10 months under License 34 to December, \$336,607 for 836,809 pounds of butterfat, or an average of 40.2 cents per pound of fat. For the whole period 81 per cent was base milk. The distributors look with favor on the proposed Indiana Milk Control law.

Full River - Market Administrator S. W. Tator.

Last half of December, base milk, \$3.20, surplus, \$1.51. Surplus on market is about 13 per cent, and ratio of excess to total deliveries is 2.3 per cent.

Fort Worth, Texas - Market Administrator O. A. Jamison.

Class I milk, last half of December, 526,336 pounds at \$2.60, is \$13,684.00. Class 2 milk, 157,456 pounds at \$1.90, is \$2,991.00. Class 3 milk, 137,095 pounds at \$1.21 is \$1,658.00. Blended price is \$2.20.

Grand Rapids, Mich. - Market Administrator Leon Collier.

Mr. Collier is busy centralizing all the interior Michigan milk licenses. No new developments.

Quad Cities - Market Administrator Robert Osborn.

Majority of distributors seeking action against one prominent local distributor who has violated the license. December blended price was \$1.59, excess price, \$1.14. Class I was 56 per cent of all milk. Daily receipts were somewhat less in December than month previous. Several producers wish to enter the market on the 90-day provision.

Kansas City - Market Administrator Max Morehouse.

Price cutting is minimized. Auditors working on one violating company. Production steady. Weather moderate.

Leavenworth - Market Administrator Max M. Morehouse.

U. S. Penitentiary order on milk awarded to a dealer complying with license.

Louisville - Market Administrator F. T. Flynn.

Blended price of \$2.03 for last half of December. Market peaceful. Great interest in the adjacent suburban markets on the proposed State milk control law. Much of the inequality between bases has been removed through the license and feeling is good.

Lexington - Market Administrator F. T. Flynn.

Pool finished and base price is \$2. and excess \$1.46. The leading producers' association threatened to pull the milk away from a non-complying dealer.

Lincoln - Market Administrator A. N. Heggen.

Last half of December, Class I, 18,617 pounds butterfat at 54 cents is \$10,053. Class 2, 10,573 pounds of butterfat at 38.6 cents is \$4,086. Class 3, 44,668 pounds of butterfat at 35 cents is \$15,675. Roughly, total, 73,859 pounds worth \$29,815.00. New producers, 3,910 pounds. Subtracting this, and with total to blend, gave 40.5 cents per pound butterfat. Milk control bill being introduced in Nebraska legislature. Administrator Chester C. Davis appeared before a local committee to investigate the milk situation here. The question of spreads is uppermost. Dealers who do not comply with the license have been notified that they will not get any orders for relief milk through the local FERA. Unorganized producers are forming a committee, and they approved the license.

New Bedford - Market Administrator S. W. Tator.

Majority of reports in on time. Compliance good. Base price for December, \$3.25 and excess, \$1.40. Sales somewhat higher. Surplus in market, 15 per cent. Ratio of excess to total deliveries, 6.6 per cent.

Newport - Market Administrator S. W. Tator.

Base milk, \$3.29; excess, \$1.49. Class 2 sales somewhat higher. Surplus in market, 17 per cent. Ratio of excess to total deliveries, 9.9 per cent.

Richmond - Market Administrator W. L. Kirby.

For December, Guernsey and Jersey producers delivered bases sold as breed milk, 54.9 per cent. Non-Guernsey and Jersey producers bases adjusted to include excess bases of Guernsey and Jersey breeders, 52.3 per cent as AA grade, 22.3 per cent as A grade. Class 1 and 2 sales amounted to 99.6 per cent together in December. Butterfat content of milk increasing. Greater spirit of compliance is evident. The license price was \$2.60 for December and a bonus of 70 cents per 100 pounds went to Guernsey and Jersey breeders on delivered base and a bonus of 38 cents to others. The price for milk on excess deliveries was \$1.36.

San Francisco - Market Administrator C. F. Kunkel.

No change in operation of license. Some decrease in sales because of cold weather.

Providence - Market Administrator S. W. Tator.

Reports on time to greater extent. Base price \$3.21, and excess price, \$1.51. Class 2 sales higher. Surplus in market, 15 per cent. Ratio excess to total deliveries, 5.3 per cent.

Topeka - Market Administrator Max M. Morehouse.

Two distributors paid in full after holding out for a time. Producers' committee contacting dealers who are not complying.

Phoenix - Market Administrator J. S. Malone.

James A. Wilson of the Field Investigation office was here and went into the matter of the violation on this market. Arizona Milk Producers quietly working to get 100 per cent membership.

Tulsa - Market Administrator J. B. McCroskey.

Market excited about price increase. Otherwise no comment.

Wichita - Market Administrator J. B. McCroskey.

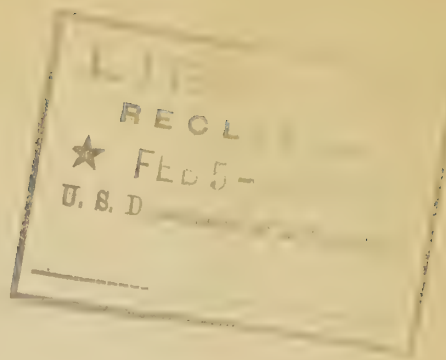
Pasteurizing companies have dropped their selling prices down to the license minimum level. The majority of producer-distributors are complying with the license.

Milk and Cream Prices for Week Ending January 11.

Markets	Standard Milk Per Quart			Half Pints Cream (20 to 25 per cent)		
	Wholesale Price	Retail Store	Delivered to Homes	Whol.	Store	Del.
Alameda County	8 $\frac{1}{2}$ ¢	10¢	11¢	6¢	8¢	9¢
Boston	9 $\frac{1}{2}$ ¢	11	12	-	-	-
Chicago	8 $\frac{1}{2}$ ¢	10	10	11 $\frac{1}{2}$	13	13
Denver	8	9-10	9-11	9-10	10-11	12
Evansville	8	9-10	9 $\frac{1}{2}$	10 $\frac{1}{2}$	12	12
Ft. Worth	9-10 raw	10-12 raw	10-12 raw	10	11-12	12
	10 past.	11-12 past.	12 past.			
Grand Rapids	8	10	10	10 $\frac{1}{2}$	12	12
Quad Cities	7	8-9	8-9	10	11-13	11-13
Kansas City	-	12	12	-	-	-
Lexington	8-10	11	10-12	12	14	14
Lincoln	8	10	10	8	10	10
Louisville	10	11	12	12	14	14
Omaha	8	-	10	8	-	10
Council Bluffs	7 $\frac{1}{2}$ ¢	-	9	7 $\frac{1}{2}$ ¢	-	9
Richmond	12	12	12	11	14	14
San Francisco	8	10	12	8	10	11
Tulsa	8	9	10	11	13	13
Wichita	7 $\frac{1}{2}$ ¢	9-10	9-10	7-8	8-10	8-10

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DAIRY SECTION
Agricultural Adjustment Administration



MILK MARKET NOTES

January 18, 1935

Market Administrator S. W. Tator returned to Boston after a series of conferences on amended license for the Boston sales area.

An all-day conference on a proposed marketing agreement for the New York Metropolitan sales area was held in the Dairy Section with the following attendants from the market: Messrs. Chapin and Coulter of the Dairyman's League; Mather of Sheffield Farms Producers; Brown of the Research Council; Lipson of Up-State Dealers Association; Bond for the Committee of Eighteen; Wynne of the New York-New Jersey Milk Institute.

Charles Smith met with Market Administrator William O. Perdue, distributors, and the Des Moines Cooperative in regard to local problems

Market Administrator William O. Perdue is the father of a young son.

J. J. Murray departed from Washington for a series of conferences in the state of Tennessee.

Market Administrator Herman Christiansen is the father of a young son.

John Dunaway has conferred with Market Administrators in the Tulsa and Fort Worth sales areas.

Since hearings on orders to show cause have been held, the licenses in the Battle Creek and Kalamazoo, Michigan, sales areas are receiving 100 per cent cooperation from all distributors. Reports indicate that never in history have these markets been in better shape.

Secretary of War Requires Army Contractors to Comply with Federal Agreements and Licenses

The Secretary of War has informed the Secretary of Agriculture that the Adjutant General has been requested to issue instructions to all people concerned with awarding contracts on future bids that they must observe the terms of the marketing agreements and licenses approved by the Secretary of Agriculture.

The Adjutant General's instructions will cover future purchases of supplies by the War Department. It is understood that the same instruction includes C. C. C. camps, to which milk supplies may be sold by distributors operating under some of the Federal Licenses.

The Adjutant General specifies that the contractor must comply with all provisions of the marketing agreements and/or licenses approved by the Secretary of Agriculture under the Agricultural Adjustment Act which are in effect on the date the contract is awarded, regardless of whether the contractor is a party to any of the Federal marketing agreements and/or licenses.

The Adjutant General further rules if the contractee fails to comply with any of the official marketing agreements and/or licenses covering articles awarded to him, the Government may terminate the contract. The Government may then purchase in the open market any undelivered part of the contract which the non-complying contractee failed to deliver. Furthermore, the contractee and his sureties are liable to the Government for any extra cost occasioned thereby. The determination by the Secretary of Agriculture of the failure of the contractee to comply with the license is final and conclusive evidence sufficient for the War Department to take said action.

If a contract is awarded to a non-complying distributor, or if a contractee fails to comply with the terms of the License, it is requested that the Chief of the Dairy Section be notified immediately.

For the convenience of the Market Administrators, a list of Corps Commanders, Army Posts, and C. C. C. Supply Units appears herewith.

Commanders of Corps Areas. 1st Corps Area - Maj. Gen. Fox Conner, Army Base, Boston 9, Mass. 2nd Corps Area - Maj. Gen. Dennis E. Nolan, Governors Island, N. Y. 3rd Corps Area - Maj. Gen. Paul B. Malone, U. S. Post Office, Baltimore, Md. 4th Corps Area - Maj. Gen. George Van Horn Moseley, Ft. McPherson, Ga.; Mail Address - Oakland City Sta., Atlanta, Georgia. 5th Corps Area - Brig. Gen. Julian R. Lindsey, Ft. Hayes, Columbus, Ohio. 6th Corps Area - Maj. Gen. Preston Brown, 1819 W. Pershing Rd., Chicago, Ill. 7th Corps Area -

Maj. Gen. Frank R. McCoy, Baird Bldg., Omaha, Nebraska. 8th Corps Area - Maj. Gen. Johnson Hagood, Ft. Sam Houston, San Antonio, Texas. 9th Corps Area - Maj. Gen. Malin Craig, Presidio of San Francisco, California.

Army Posts. Alameda County - Benton Field. Atlanta, Georgia - Candler Field, Ft. McPherson. Baltimore, Maryland - Aberdeen Proving Grd., Ft. Howard, Logan Field. Battle Creek, Michigan - Camp Custer. Boston, Mass. - Ft. Andrews, Ft. Banks, Boston Airport, Ft. Devens (Near Ayer, Mass.), Ft. Duvall, Ft. Heath, Ft. Ruckman, Ft. Standish, Ft. Strong, Ft. Warren. Chicago, Ill. - Ft. Sheridan. Denver - Ft. Logan. Des Moines, Iowa - Ft. Des Moines. Detroit, Mich. - Ft. Wayne. Leavenworth, Kansas - Ft. Leavenworth. Los Angeles, Calif. - Ft. MacArthur, March Field. Louisville, Ky. - Bowman Field, Ft. Knox. Newport, R. I. - Ft. Adams, Ft. Getty, Ft. Greble, Ft. Philip Kearny, Ft. Wetherill. Omaha, Nebr. and Lincoln, Nebr. - Ft. Crook, Ft. Omaha. Phoenix, Ariz. - Davis Field (Tucson). San Francisco, Calif. - Ft. Barry, Presidio of San Francisco, Alcatraz Island, Ft. Baker, Drissy Field (Sub Post of Presidio of San Francisco), Ft. Funston, Hamilton Field, Ft. McDowell, Ft. Mason, Mather Field, Ft. Miley, Ft. Winfield Scott, Savannah, Ga. - Ft. Screven. St. Louis, Mo. - Jefferson Barracks, Scott Field. San Diego - March Field, Ft. Pio Pico. St. Paul, Minn. - Ft. Snelling.

Location of Administrative and Supply Units, Civilian Conservation Corps. Atlanta, Ga. - Third Corps Area, District "B", Ft. McPherson, Georgia. Boston, Mass. - First Corps Area, 3rd C.C.C. Dist., Ft. Devens, Mass. Chicago, Ill. - Sixth Corps Area, 14th Forestry Dist., Ft. Sheridan, Ill. Denver, Ill. - Eighth Corps Area, Ft. Logan. Detroit, Mich. - Sixth Corps Area, 1st Forestry Dist., Ft. Wayne. Leavenworth, Kan. - Seventh Corps Area, Missouri Dist. Hq. Co., Ft. Leavenworth, Kansas. Los Angeles, Calif. - Ninth Corps Area: 1. March Field, Riverside, Calif., 2. Fort MacArthur, San Pedro, Calif. Louisville - Fifth Corps Area (Work Camps) Fort Knox. Newport, R. I. - First Corps Area, 4th CCC Dist., Ft. Adams, R. I. Omaha - Lincoln, Nebr. - Seventh Corps Area, Ft. Crook. Quad Cities - Sixth Corps Area, 16th Forestry Dist., Camp Black Hawk, Rock Island, Illinois. Richmond, Va. - Third Corps Area; 1. Virginia Dist. #4, Arcade Bldg., Richmond Va.; 2. Sub-Dist. #14, R. F. D. #5, Richmond, Virginia.

AROUND THE MILKY WAY

Atlanta, Georgia - Market Administrator A. W. Howard.

This is the first Atlanta report. Producers in the majority are reported favorable to the license. Out of 300 producer-distributors, 250 were reporting at the first delivery period. Higher percentage of compliance is expected. The commercial distributors as a group gave 100 per cent cooperation.

Battle Creek, Mich. - Market Administrator Leon Collier.

With Fairview Dairy Company agreeing to compliance on show-cause order, every distributor is complying with the License.

Boston, Mass. - Market Administrator Samuel W. Tator.

The State Milk Board Order to stabilize the market with an advance in prices to 13 cents delivered, and 12 cents from stores, failed to materialize. Status quo prevailed among dealers. Later developments call for a hearing to be held in Vermont so producers might submit evidence to support the proposed increase in prices from \$3.26 to \$3.49. A request from producers which would result in a State hearing on a proposal to set resale prices as well as producer prices is being prepared.

Chicago, Illinois - Market Administrator Frank C. Baker.

Feeling improved because of advance back to \$2.20 for producers, with dealer agreement placing retail prices at 11 cents retail delivered. This increases margin of dealers about half a cent per quart. In spite of the dissatisfaction expressed by farmers at the price to them, much milk is being freely offered at lower than License prices.

Denver, Colo. - Market Administrator C. E. Hough.

Sales show slight gain. Dealers are talking advertising health value of milk and likewise higher resale prices.

Detroit, Mich. - Market Administrator E. M. Bailey.

Conferred with Messrs. Smith and Hays at Battle Creek. Field Auditors' reports show much better corrections of accounts because former errors were evidently due to misunderstanding. Has put on a regular milk tester to handle milk for non-members of the association. He will be kept busy about 75 per cent of the time. Base situation has become complicated.

Evansville, Ind. - Market Administrator Edward C. Reeves.

Conditions much settled. Dealers anxiously awaiting presentation of the State control bill in the Indiana legislature.

Ft. Wayne, Ind. - Market Administrator H. Christiansen.

Price war still on. The competition forced by one dealer selling 15 quarts for a dollar led to general break to seven cents by the rest.

Kansas City - Market Administrator Max M. Morehouse.

Dealers still carry on, and are requesting stricter enforcement against the violators. Class 2 milk in January 15 period cost two cents more to dealers than Class 1. Complete report and audit on one violating dairy to be finished at once. Some bases have been raised. Production conditions favorable.

Lincoln, Nebraska - Market Administrator A. N. Heggen.

Producer-distributors continue to ignore the license. No change in attitude of producers toward price. Violations of minimum resale prices few.

Lexington, Kentucky - Market Administrator F. T. Flynn.

The cooperative association is anxious to pull milk away from certain violating dealers.

Omaha, Nebr. - Market Administrator A. N. Heggen.

Producer-distributors have petitioned that the prices paid producers be identical in Omaha and Council Bluffs. They are also trying to join pasteurizers in raising the Council Bluffs retail price, which is now a cent under Omaha.

Los Angeles, Calif. - Market Administrator H. C. Darger.

December adjustment liquidated without drawing on reserves. Two or more dealers have decided to quit paying into equalization fund but state they will remit for deductions due on administration fund. Continued price-cutting noted. No reported violations of the established prices payable to producers.

Oakland, Calif. - Market Administrator C. F. Mankel.

Several dealers complain of inability to operate profitably under the present price to producers and retail set-up. Encouraging gains in sales are reported by several leading distributors and a leading chain store.

Quad Cities - Market Administrator Robert Osborn.

Base revision for equitable treatment and some reduction of bases already allotted is contemplated. Most dealers said to favor the proposed Iowa state milk control law. Hauling prices being raised some places because of generally lower tonnages. No definite proposals for higher price to producers yet made but there is talk of asking for increase.

Sioux City, Iowa - Market Administrator A. N. Heggen.

Producer-distributors have reported more promptly since action in the Equity Union case. There is some concern over the proposed Iowa milk control bill.

Topeka, Kansas - Market Administrator Max M. Morehouse.

One violating dealer informed by producers that they would quit delivering milk to him. He drove all day trying to locate some but failed. Then he gave in and phoned producers he would mail in his check at once to the Market Administrator. Another dairyman treated similarly by producers will clear up his account. Some discrepancies in reports of dealers found. Fairly favorable production conditions. Wheat pasture is being used, and some dealers protest that it has hurt milk flavor.

Tulsa, Okla. - Market Administrator J. B. McCroskey.

License on much better ground than before. Papers are co-operating splendidly in placing the producers' position before the public to justify the increase in prices charged.

Wichita, Kansas - Market Administrator J. B. McCroskey.

License credited with preventing a serious price war. Producers holding regional meetings to talk feed situation and base allotments.

Milk and Cream Prices for Week Ending January 18, 1935.

Markets	Standard Milk Per Quart			Half Pints Cream (20 to 25 per cent)		
	Wholesale Price	Retail Store	Delivered to Homes	Whol.	Store	Del.
Atlanta	11¢	13¢	14¢	14¢	16¢	18¢
Boston	9 $\frac{1}{2}$	11	12	-	-	-
Battle Creek	6 $\frac{1}{2}$ -8	10	10	8 $\frac{1}{2}$ -10	12	12
Chicago	9 $\frac{1}{2}$	11	11	12 $\frac{1}{2}$	14	14
Denver	8	9-10	10-11	9-10	10-11	12
Evansville	8	9-10	9 $\frac{1}{2}$	10 $\frac{1}{2}$	12	12
Flint	8 $\frac{1}{2}$	10	5-10	10	12	12
Grand Rapids	8	10	10	10 $\frac{1}{2}$	12	12
Kalamazoo	6 $\frac{1}{2}$	8	8	6 $\frac{1}{2}$	8	8
Kansas City	-	8-10	10	-	-	12
Lansing	5 $\frac{1}{2}$ -7	7-9	7-9	6 $\frac{1}{2}$ -8	8-10	8-10
Lexington	8-10	11	10-12	12	14	14
Louisville	10	11	12	12	14	14
Muskegon	8	10	10	11	13	13
Omaha	8	-	10	8	-	10
Council Bluffs	7 $\frac{1}{2}$	-	9	7 $\frac{1}{2}$	-	9
Quad Cities	7	8-9	8-9	10	11-13	11-13
Sioux City	7	-	9	8	-	10
Saginaw	8	10	10 up to 2 qts. 9 for 3 plus	10	12	12
Topeka	-	-	10	-	-	-
Tulsa	9	10	11	12	13	14
Wichita	7 $\frac{1}{2}$	9-10	9-10	7-8	8-10	8-10

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DAIRY SECTION
Agricultural Adjustment Administration

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U. S. Department of Agriculture

MILK MARKET NOTES

January 25, 1935.

MILK MEN

John Dunaway met with producers and distributors in the Tucson, Arizona, Sales Area, at which meeting the recommended prices for the proposed License for Tucson were agreed upon.

The Ohio Milk Commission at Columbus requested Charles S. Smith to attend a meeting for the purpose of discussing the market situation in the Wheeling - Steubenville area. Mr. Smith stopped in Fort Wayne for a day to give assistance to Market Administrator Christiansen.

O. H. Hofiman, Jr. returned to Los Angeles via Denver, where he stopped for a short time to confer with Market Administrator C. E. Hough. Mr. Hofiman will return to Denver in a short time to meet Mr. A. H. Lauterbach who will leave for a trip to the West Coast on January 26.

E. M. Harmon left for Boston, Massachusetts, and Burlington, Vermont. At the latter point he will represent the Dairy Section at a hearing on the amended License for the Greater Boston Sales Area, which will be held on January 28 and subsequent days.

J. J. Murray returned from New Orleans, Louisiana and other points in the South.

Mr. Lauterbach delivered speeches at Harrisburg, Pennsylvania, and Trenton, New Jersey.

Veterans' Administration Helps License Program.

Instructions were issued recently by the director of supplies for the Veterans' Administration which help the situation in respect to Federal milk licenses. The instructions simply informed local buyers to take cognizance of the existence of marketing agreements or licenses approved and executed by the Secretary of Agriculture when considering bids from contractors. It provides that if any contractee fails to comply with the license or amendments thereto, the Government may, by written notice, terminate the contractee's privilege to proceed with the contract, and the Government agency may then enter the open market and buy what it requires, leaving the contractor and his surety bondholder to liability for any excess cost occasioned by this move.

This is the third instance of voluntary action taken to support the license by leading Government agencies. Previously such an order had been issued by the War Department covering all army posts and C. C. C. Camps. Likewise the Bureau of Prisons, Department of Justice, has also made such requirements in regard to their institutions located in the vicinity of licensed areas. This affects at present only Leavenworth, Atlanta, and San Francisco.

Should the lack of such requirements making possible direct action through the Agricultural Adjustment Administration result in a non-complying distributor receiving a contract for milk from some other department or agency of the Government, it may be possible to take action through the N. R. A. Contract Division, if such violator is also a violator of any of the N. R. A. codes applicable to him or the President's Reemployment Agreement. We have had good cooperation in that direction thus far. Hence we suggest that efforts be made to find out if such violation exists and if so, to report full and authentic information to the Dairy Section.

AROUND THE MILKY WAY

Atlanta, Georgia - Market Administrator A. W. Howard.

Can shipping producers cooperating well but with some apprehension about bases. Expect 99 per cent reports from producer-distributors in February.

Boston, Massachusetts - Market Administrator Samuel W. Tator.

Net price to producers to plants in the 191-200 mile zone from Boston in the first January period was \$2.43 per 100 pounds for base milk and \$1.40 per hundredweight on excess milk. The price on milk trucked direct to city plants was \$3.01. Plans for handling mutual problems are being worked out in conferences with Massachusetts Milk Control Board.

Chicago, Illinois - Market Administrator Frank C. Baker.

Dealers feeling better because of somewhat higher margins to them but the high formula of prices for Classes 2, 3 and 4 caused by advanced butter market does not set so well. Class I percentage base was 55 per cent and Class 2 percentage base was 20 per cent in computations used for January milk payments to producers under the Amended License.

Denver, Colorado - Market Administrator C. E. Hough.

Reports 100 per cent cooperation by all parties on market. Had a call from O. H. Hoffman, Jr. of the Dairy Section enroute to the Pacific Coast.

Detroit, Michigan - Market Administrator E. M. Bailey

Unpaid equalization accounts are rapidly being paid or arrangements made for payment. The current pool account is paid in full. Visit reported from Mr. Smith of the Dairy Section.

Evansville, Indiana - Market Administrator E. C. Reeves.

All factors on the market receiving benefit from statistics taken during one full year operation of license. Sales of milk and cream show advance. Dealers feel present retail price gives them too small margins.

Fall River, Massachusetts - Market Administrator S. W. Tator

January price of base \$3.28 and of excess milk \$1.53. Surplus in market 12.9 per cent, base deliveries lower.

Kansas City - Market Administrator Max M. Morehouse.

Some plants short of milk and freezing weather reported. Charity milk sales in Kansas City, Kansas, being reviewed. All distributors owning plants reported for last period except four in Kansas.

Leavenworth, Kansas - Market Administrator Max M. Morehouse.

Reported visit to city from Mr. Spofford, Officer in Charge of Field Investigation Section. Producers discussing possibility of transfer of association members' milk from non-complying dealer to others. Production is rather short.

Lincoln, Nebraska - Market Administrator A. N. Heggen.

Producers begin to see advantage of license. Producer-distributors ignore license but are alarmed over State control bill now before the legislature. They and commercial dealers have joined to fight it. Class I price for January was 54 cents per pound butterfat on 18,244 pounds in the class. Class II price was 40.5 cents on 9,664 pounds. Class III price was 37 cents on 39,555 pounds, or a value and amount double the other two classes. Blended price, 42 cents. New producers got 37 cents. There is a surplus in equalization fund.

Lexington, Kentucky - Market Administrator Fred T. Flynn

The Lexington Graded Milk Association forced compliance with the license on the part of a certain dairy which had failed to pay since May, 1934. No pay, no milk was the ultimatum of the Association. Morale is up because of this action. Improved conditions expected.

Los Angeles, California - Market Administrator H. C. Darger.

Distributors trying to break down several phases of the license and they want it suspended until courts declare whether it may be enforced.

Much cutting of resale prices and failure to pay equalization.

Louisville, Kentucky - Market Administrator F. T. Flynn.

Administrator has attended and talked at many meetings of producers. He reports morale excellent throughout the territory. Close touch is being kept with proposed State milk control bill, and producers are trying to sell the plan to all agencies. An audit being made by Mr. Platz of the Field Investigation Section. Return to producers now 14 cents per hundred more than the license provides. Melwood Dairy was denied a rehearing on the Federal Court order. A review of the entire suit is contemplated, in lower court.

New Bedford, Massachusetts - Market Administrator S. W. Tator

Base milk for January, \$3.25; excess, \$1.40. Sales a trifle lower. Surplus on market about 15 per cent, and ratio excess deliveries to total deliveries, 7 per cent.

Oakland, California - Market Administrator C. F. Kunkel.

One company, which had refused to pay the Market Administrator, is now complying with the license because of pressure brought to bear by producers. Independent producers slowly getting into line to support the license prices. Some local milk agencies using paid space to oppose proposed State milk law.

Omaha - Council Bluffs - Market Administrator A. N. Heggen

Dealers and producer-distributors holding meetings to bring the resale prices in Omaha and Council Bluffs into line. The Nebraska-Iowa Non Stock Cooperative Milk Producers Association forwarded resolutions supporting proposed State milk laws to both Iowa and Nebraska legislatures.

Phoenix, Arizona - Market Administrator J. S. Malone

Except for one violator, the license is working well. Many would like to see the whole price structure raised. John Dunaway of the Dairy Section staff visited the city and studied one case of violation there.

Providence, Rhode Island - Market Administrator S. W. Tator

Compliance generally good. Base milk \$3.22 and excess milk \$1.53 for first half of January. Dr. R. B. Corbett was in the city and gave a talk illustrating the cooperation between State Control Board and Federal license office. Sales about the same. Surplus about 15 per cent. Ratio excess deliveries to total deliveries, 5.7 per cent. Snow has delayed transportation of milk.

. Richmond, Virginia - Market Administrator W. L. Kirby.

Waiting for new license amendments. Dairy Council worker employed in effort to increase consumption. Miss Chinn of the National Dairy Council has also been in the area working on this project.

San Francisco - Market Administrator C. F. Kunkel.

No operative change. Company selling to retail stores reports 10 per cent gain in volume. Average butter price for past week, 33 cents.

Tulsa, Oklahoma - Market Administrator J. B. McCroskey

Market stable, having moved into increased buying and selling prices in satisfactory way. Producer leaders want to organize a new bargaining cooperative.

Wichita, Kansas - Market Administrator J. B. McCroskey

Revised license meeting favor except producers do not like the margin between Class I and Class 2 prices.

Milk and Cream Prices for Week Ending January 25, 1935.

Markets	Standard Milk Prices Per Quart			Half Pints Light Cream		
	Wholesale	Store	Retail Del.	Wholesale	Store	Retail Del.
Atlanta	11¢	13¢	14¢	14¢	16¢	18¢
Boston	9 $\frac{1}{2}$ ¢	11	12	-	-	-
Chicago	9 $\frac{1}{2}$ ¢	11	11	12 $\frac{1}{2}$ ¢	14	14
Denver	8	9-10	9-11	9-10	10-11	12
Evansville	8	9-10	9 $\frac{1}{2}$ ¢	10 $\frac{1}{2}$ ¢	12	12
Fort Worth	9-10 raw 10 past.	10-12 raw 11-12 past.	10-12 raw 12 past.	10	11-12	12
Lexington	8-10	11	10-12	12	14	14
Los Angeles	9	10	12	11	13	14
Louisville	10	11	12	12	14	14
Oakland	8 $\frac{1}{2}$ ¢	10	11	(One-fourth Pt. Cream)		
				6	8	9
Omaha	8	-	10	8	-	10
Council Bluffs	7 $\frac{1}{2}$ ¢	-	9	7 $\frac{1}{2}$ ¢	-	9
Phoenix	7	9	10			12-18
Richmond	12	12	12	11	14	14
San Francisco	8	10	12	8	10	11
Sioux City	7	8	9	8	-	10
Tulsa	9	10	11	12	13	14
Wichita	7 $\frac{1}{2}$ ¢	9-10	9-10	7-8	8-10	8-10